

THE WHITE HOUSE

WASHINGTON

September 19, 1977

9/1-2378

MEMORANDUM FOR:

HEADS OF EXECUTIVE DEPARTMENTS AND  
AGENCIES

FROM:

STU EIZENSTAT *Stu*  
BUNNY MITCHELL *B*

SUBJECT:

Government Efforts to Promote  
Minority Business Development

Attached, for your information, is a statement made by the President to the Interagency Council for Minority Business Enterprise. The Council is composed of Under Secretaries of Executive departments and Administrators of various agencies. You will note that in the statement the President requests that the federal government double its purchases of services from minority business firms over the next two fiscal years.

EMBARGOED UNTIL AFTER THE BRIEFING

September 12, 1977

Office of the White House Press Secretary

THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

During the last decade the Federal government has played a crucial role in stimulating the development of minority businesses in this country. Working in partnership with private enterprise, the government has sought to promote participation in our economy by entrepreneurs from socially and economically disadvantaged segments of society. There have been some successes and some failures in these minority business development efforts, but the important benefits to society to be gained from these efforts have never been questioned. Building strong minority business enterprises is in the national interest because they contribute to our efforts to reduce unemployment and to stimulate community development.

It is the policy of this Administration to promote the development of minority business enterprise. The experiences of the past decade show that the government cannot solve all the problems in this area, but government at all levels has an important leadership role. This Administration will actively support minority business development, and we strongly encourage the private sector to increase its involvement in this area. The overwhelming majority of existing minority businesses are in the retail and service fields. While I am confident that businesses in these areas will continue to prosper, it is my hope that we can promote the participation by minorities in industries with growth potential such as energy and telecommunications, where opportunities for development are greatest.

I have discussed this matter with the members of my Cabinet and found enthusiastic support among them for the Federal government's promotion of minority business development. Some departments already have ongoing minority business development activities, but others do not. We must improve the performance of existing activities and create programs in other departments in recognition of the fact that all departments of government have a role to play in minority business development.

I intend to rely on the Interagency Council, chaired by Sidney Harman, the Under Secretary of Commerce, to promote, coordinate and monitor federal programs relating to minority business enterprise. The Council should meet regularly to make certain that the issue of minority business development receives the attention of policy-makers at the highest level of the government.

In order to provide a focus for our efforts and to set achievable goals for this Administration, I have taken the following actions:

First, I fully endorse the efforts underway to revamp and improve the SBA Section 8(a) program. Vernon Weaver has established an 8(a) Review Board. I have asked him to move expeditiously and to consult with interested members

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of Congress and other concerned citizens to make certain that this key program operates in the most efficient, effective and fair manner possible. We should not permit our disappointment at the manner in which this worthwhile program has been administered in the past to diminish our desire to make it work.

Second, I have instructed all Executive departments to work with the Office of Minority Business Enterprise and the Small Business Administration to devise effective minority business assistance programs.

Third, I have asked the Office of Federal Procurement Policy to review and to revise procurement regulations to assure adequate involvement of minority and small business firms by requiring that recipients of major federal contracts show how they will involve minority and small businesses before rather than after a contract has been awarded.

Fourth, I have requested that the Treasury Department, as an Interagency Council member, lead a task force to prepare a report on sources of capital and mechanisms for financial assistance for minority business.

Finally, I have instructed all Executive departments to double their purchases of services from minority firms through direct and indirect procurement activities during the next two fiscal years and to report to me on their progress in meeting this goal. This increase should raise the level of Federal government purchases from minority firms to about one billion dollars. We will closely monitor the effort of each department to see that this goal is achieved.

I believe that we should improve and strengthen existing programs rather than make wholesale changes at this time. However, we will assess the operation of these programs under their new leadership, and we will not hesitate to recommend changes where they seem warranted.

These steps provide a good beginning for our efforts in this area. We will show steady and sustained progress throughout my term of office in promoting the development of minority business enterprise.

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Executive Secretary

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